

U.S. DEPARTMENT OF ENERGY
NEVADA OPERATIONS OFFICE

ORDER

NV O 124.X

Approved: 08-22-00
Review Date: 08-22-02
Expires: 08-22-04

**PLANNING AND BUDGET
PRIORITIZATION OF WORK**



INITIATED BY:
Resources Management Division

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1. OBJECTIVES. To establish a process for ensuring a balanced prioritization of DOE Nevada Operations Office (DOE/NV) mission/program work with environment, safety and health (ES&H) activities in budget planning and formulation. Approved planning shall become the initial basis for program execution and evaluation. *This process may be expanded to include other activities by formal amendment of this Directive.*
2. CANCELLATION. None.
3. APPLICABILITY.
 - a. The provisions of this Order apply to all organizational elements assigned to DOE/NV.
 - b. The requirements applicable to DOE/NV contractors are set forth in the Contractor Requirements Document, Attachment 1.
4. REQUIREMENTS.
 - a. DOE/NV mission/program work and ES&H activities shall be documented in Annual Planning Baselines. Annual Planning Baselines shall be developed and maintained for two subsequent future fiscal years.
 - b. Before January 1 of each year, DOE/NV Assistant Managers shall develop and issue to operating contractors under DOE/NV's cognizance, activity and priority guidelines for mission/program work and priority guidelines for ES&H activities. Guidelines will cover activities for the next future fiscal year for which planning has not already taken place.
 - c. DOE/NV may exempt missions/programs from this planning process based upon criteria proposed by the cognizant Assistant Manager and acceptable to the DOE/NV Resources Management Council. The DOE/NV Manager shall exercise final approval authority to exempt missions/programs from the planning process. All exemptions granted under this provision must be reviewed annually by the Resources Management Council and certified to the Manager for continuation.
 - d. Scopes of work that are identified as a part of mission/program and ES&H Annual Planning Baselines shall be prioritized using a formal methodology.

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Prioritization methodologies will be employed by cognizant Assistant Managers who develop proposals to be considered by the DOE/NV Resources Management Council for mission/program work or ES&H activities. The prioritization methodology must include at a minimum: risk identification that considers mission impact; safety, health, and security impacts; environmental protection impacts; environmental compliance impacts; and cost effectiveness/efficiency of the proposed scope of work. Processes not already documented in departmental guides, shall be developed, formally documented and distributed to the Resources Management Council for approval.

- e. Annual Planning Baselines for crosscutting ES&H requirements shall be validated to be achievable within anticipated annual funding subsequent to their initial development and after any update. Annual Planning Baselines for missions/programs shall also be validated as a part of the annual budget validation processes as prescribed by the U.S. Department of Energy (DOE) Chief Financial Officer in the Budget Formulation Handbook. A team, under the direction of the DOE/NV Chief Financial Officer, shall conduct the validation. Membership of the team shall include representation of the responsible ES&H organization, DOE/NV's major missions/programs, and representation from the DOE/NV Resources Management Division (RMD) and the DOE/NV Financial Services Division.
- f. Cognizant Assistant Managers will brief the DOE/NV Resources Management Council on mission/program work. The cognizant Assistant Manager(s) for ES&H Activities, or their contractor designee(s), will brief the Resources Management Council on proposed ES&H activities. These briefings shall include the description of major scopes of work, the relative priorities of those scopes of work, the estimated cost and schedule for each identified scope of work and the identification of scopes of work that are within and outside of currently understood funding plans. The briefings of cognizant Assistant Managers will also identify the manner in which their prioritized scopes of work interleave with the scope of work prioritizations that are presented by designated briefing contractors.
- g. Approved Annual Planning Baselines for mission/program work and ES&H activities shall be briefed to the DOE/NV Manager, upon completion of the annual budget planning and formulation process and following the annual update that precedes the execution year planning.

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- h. All Annual Planning Baselines, approved by the Resources Management Council or the DOE/NV Manager, shall be subject to configuration control procedures which include documenting the reasons for change, impact on future performance periods for the revised planning baseline, and impact on related planning baselines. Proposals to change an Approved Annual Planning Baseline shall be reviewed and approved by the Resources Management Council.

5. RESPONSIBILITIES.

a. DOE/NV Manager.

- (1) Assign responsibilities for mission/program work and ES&H activities planning.
- (2) Approve exemptions from the requirements of this Order.
- (3) Designate membership of the DOE/NV Resources Management Council. Membership will include the Deputy Manager and the Assistant Managers. Representation of principal DOE/NV missions/programs and organizations that are responsible for ES&H activities that are planned in the proposed Annual Planning Baselines may be included on an ex-officio basis.
- (4) Approve Annual Planning Baselines when the Resources Management Council is unable to reach consensus.

b. DOE/NV Assistant Managers.

- (1) Before January 1 of each fiscal year, establish and issue activity and priority guidelines for applicable mission/programmatic work and priority guidelines for ES&H activities, consistent with assigned responsibility. Provide those guidelines to operating contractors for development of requirements, scopes of work, relative priorities, and estimates of cost and schedule.

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- (2) Ensure that operating contractors employ a formal prioritization methodology that meets the requirements of this Order to prioritize scopes of work for any proposals they present to the Resources Management Council.
- (3) Coordinate and review contractor developed Annual Planning Baselines for ES&H activities to understand the proposed implementation of the priority guidance, to recommend adjustment, if appropriate, and to develop a basis for recommending approval or adjustment of the Annual Planning Baselines to the Resources Management Council.
- (4) Develop, coordinate, and implement communication plans that will facilitate the oversight and review of the requirements generation and prioritization processes employed by operating contractors in developing proposed Annual Planning Baselines for ES&H activities and in maintaining configuration control of those planning baselines.
- (5) Ensure that Annual Planning Baselines covering at least two forward looking years are developed for assigned mission/program work and ES&H activities.
- (6) Evaluate activities to determine if any mission/program work should be exempted from the requirements of this Order. Document the basis for that determination and recommend exemption to the DOE/NV Manager.
- (7) Develop Annual Planning Baselines covering mission/program work and brief those baselines to the Resources Management Council.
- (8) Develop and recommend adjustments to approved Annual Planning Baselines that by their assessment do not provide proper balance of priorities between mission/program work and ES&H activities. Recommendations will be provided to the Resources Management Council for consideration and consensus approval.

c. DOE/NV Chief Financial Officer.

- (1) Establish the schedule for the planning processes that are required by this Order and annually publish the schedule for the activities that make up the planning processes.

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- (2) Annually develop an estimate of new funding expected to be provided under each operating contract to facilitate the balanced prioritization of mission/program work with ES&H activities.
- (3) Establish the formal process and appoint a team representing diverse interests to validate both mission/program and ES&H planning baselines that crosscut missions/programs.
- (4) Maintain records of all Approved Annual Planning Baselines and approved changes thereto.

d. DOE/NV Resources Management Council.

- (1) Ensure a record of all prioritization processes utilized in the development of Annual Planning Baselines that are proposed and reviewed.
- (2) Review Annual Planning Baselines proposed by operating contractors for missions/programs which are subject to this Order and ES&H activities.
- (3) Analyze the anticipated financial impacts of contractor proposed ES&H Annual Planning Baselines upon DOE/NV's principal mission/program budgets.
- (4) Approve Annual Planning Baselines or adjustments thereto, that represent a balanced approach to addressing the priorities of mission/program work and ES&H activities with a responsible regard for identified risks and the successful mitigation of those risks.

e. DOE/NV Resources Management Council Chairperson.

- (1) Conduct the activities of the Council to review, adjust as necessary, and upon reaching consensus regarding scopes of work and priority rankings, approve the Annual Planning Baselines.
- (2) Forward the consenting and dissenting views of the Council Members to the DOE/NV Manager for final decision when consensus cannot be reached by the Resources Management Council.

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6. REFERENCES. None.

7. DEFINITIONS.

- a. Scope of Work. A description of planned work, including its subdivision into appropriate activities, and the identification of any key activity milestones, deliverables, and reports that would allow evaluation of the progress and/or completion of work.
- b. Prioritization. The process whereby activities are ordered according to importance or urgency and based upon the analysis of risk.
- c. ES&H Activities. The activities which are required to be performed at DOE sites in fulfillment of laws, regulations, and Departmental Directives and agreements relating to the preservation of the environment and the health and safety of the workforce and the public.
- d. Mission/Program. The activities directly funded by congressional appropriation to accomplish programmatic work.
- e. Annual Planning Baseline. The plan establishing and defining a scope of work, scheduled activities required to complete the scope of work, detailed cost estimates for those activities, and an analysis that establishes the relative priority of the scope of work in relation to other scopes of work for the same mission/program or ES&H activities. Annual Planning Baselines are typically defined for a specific fiscal year and for purposes of this Order will be developed for a minimum of 2 forward looking fiscal years.

8. CONTACT. DOE/NV Assistant Manager for Business & Financial Services at (702) 295-3126. Configuration controlled documents that are generated as a result of the action of the DOE/NV Resources Management Council will reside with RMD at (702) 295-0973.



Kathleen A. Carlson
Manager

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CONTRACTOR REQUIREMENTS DOCUMENT

1. Contractors shall develop Annual Planning Baselines for their contractor-specific activities based upon the guidelines provided to them by DOE Nevada Operations Office (DOE/NV) Mission/Program Managers and by the cognizant Environment, Safety, and Health (ES&H) DOE/NV Managers. Annual Planning Baselines shall include the description of the scope of work to meet the requirements that contractors interpret as necessary to fulfill the guidelines provided to them by DOE/NV Managers, the activities required to complete the scope of work, a schedule of the planned activities that support the scope of work, a cost estimate for those activities and an analysis that establishes the relative priority of that scope of work in relation to other scopes of work for the same mission/program or ES&H activity.
2. Contractors shall, when requested, present their proposed Annual Planning Baselines including their prioritization of activities to the DOE/NV Resources Management Council. The briefing shall include the description of major scopes of work, the relative priorities of those scopes of work, the estimated cost and schedule for each identified scope of work and the identification of scopes of work that are within and outside of currently understood funding plans. The presentation shall include any risks considered in developing their proposed prioritization and recommendations for mitigating those risks should the Council consider changing the prioritization proposed by the contractor. Significant changes in the focus and/or level of ES&H activities shall also be separately detailed in the briefing to the Resources Management Council.
3. Each year contractors shall, subsequent to the formal approval by the DOE/NV Resources Management Council of Annual Planning Baselines or their change, identify to the DOE/NV Contracting Officer any issues of competing priorities for which they believe the Annual Planning Baselines have inadequately addressed the risk that they will incur and the nature of risk is such as to be appropriate for consideration for contract language change. The DOE/NV Assistant Manager(s) responsible for the mission/program and ES&H Annual Planning Baseline(s) identified as causing those risks shall be copied with the transmittal conveying that position to the DOE/NV Contracting Officer.

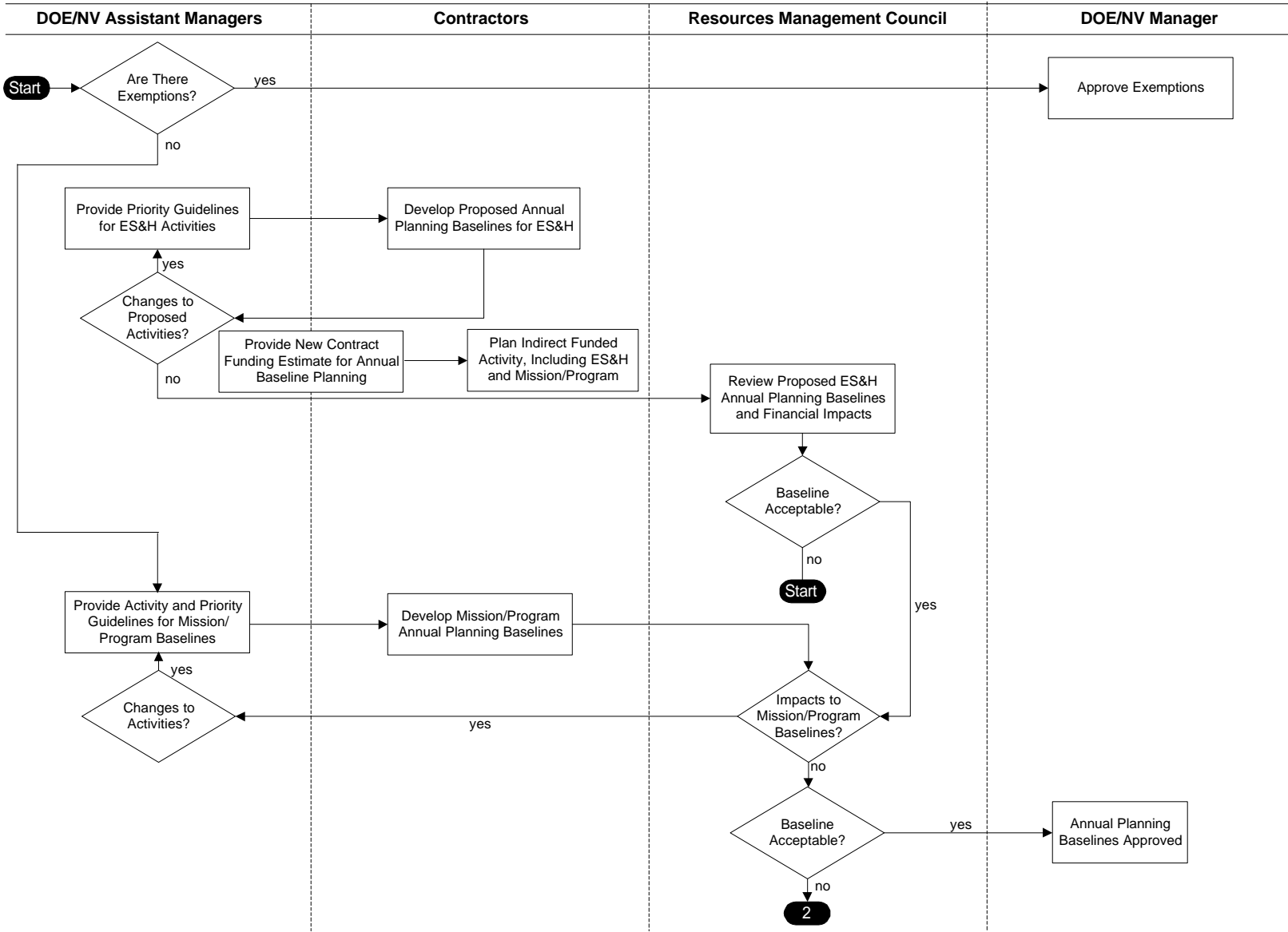
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4. Contractors shall establish an appropriate configuration management processes for the documentation of proposed and adopted Annual Planning Baselines developed by them as a requirement of this Order and any proposed and approved changes made to them.

**DOE NEVADA OPERATIONS OFFICE (DOE/NV) PLANNING AND BUDGET PRIORITIZATION OF
ENVIRONMENT, SAFETY, AND HEALTH (ES&H) ACTIVITIES PROCESS DIAGRAM**



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DOE/NV PLANNING AND BUDGET PRIORITIZATION OF ES&H ACTIVITIES PROCESS DIAGRAM
(Continued)

